BEST VALUE SOURCE SELECTION

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Best Value Source Selection

- Introduction
- When and Why of BVSS
- Procurement Team
- Source List
- BVSS Solicitation
- Evaluation and Selection Process
- Negotiations, Approvals & Award

Introduction

- **Role of the University**
  - **Prime Contract # DE-AC02-05CH11231**
  - **Procurement authority delegated by the President of the University through the Laboratory Director and CFO to Procurement**
  - **Issue Subcontracts in the name of the Regents of the University of California**

- **Not a Federal Procurement**
  - **Follow the LBNL Procurement Standard Practices**
  - **Established with the concurrence of the UC Laboratory Operations (UCLO) office and approved by the Department of Energy (DOE) Contracting Officer**

Best Value Source Selection (BVSS)

– Developed about 13 years ago at LLNL

– Process used in competitive, negotiated contracting to select the most advantageous offer

– Evaluates and compares non-price factors (performance features, supplier attributes) in addition to cost or price

- **Awards to the Vendor who will provide best value to Laboratory**
  - Qualitative rather than quantitative evaluation

- **General requirements - lets Vendors be creative**
  - Proposal is basis of contract
    - Detailed Specification negotiated if needed

When and Why

- ## When to use BVSS?
  - When price is not predominant
  - When experience, performance, and/or technical requirements are predominant

- ## Why use BVSS?
  - Maximum decision making flexibility when making business decisions for a Program or the University
  - Manage Subcontractor performance risk
  - Allows Vendors flexibility in proposal strategy

- **Roles and Responsibilities of the Procurement Team**
  - **Develops the source list**
  - **Develops evaluation factors including the minimum requirements and performance features**
  - **Makes the selection**
  - **The Negotiating Team is usually the Procurement Team or a subset of it.**

The Source List

- **Technical expertise and knowledge of NERSC & ESnet personnel**
- **Market survey**
  - **Site visits to Vendors facilities**
  - **Vendor visits to NERSC & ESnet**
  - **Knowledge from conferences and meetings**
- **Typically don't advertise in FedBizOps**

- **Letter format**
  - **Evaluation Factors**
  - **Minimum Requirements**
  - **Performance Features**
  - **Supplier Attributes**
  - **Price or cost**
  - **Basis for Selection**
- **Statement of Work for inclusion in Subcontract is negotiated with the selected Vendor(s)**

- **Four Categories**
  - **Affordability, Capability, Applicability and Feasibility**
  - **Provide a structure for developing minimum requirements, performance features and supplier attributes as evaluation factors**

Minimum Requirements

- ## Absolutely must be met
  - Represent requirements that must be present to ensure successful performance
  - Establish a basis for preparing offers and provide a mechanism for eliminating frivolous or non-responsive offers
  - CSWeb RFP Minimum Requirements will be discussed in detail in other presentations today

Performance Features

- **Address *how* an Offeror will satisfy the requirements of the solicitation**

  - **They encourage a <u>narrative description</u> of the approach to meeting the requirements**

  - **CSWeb RFP Performance Features will be covered in other presentations today**

  - **Offerors are encouraged to propose any other features they can provide that will add value to NERSC & ESnet**

    - **Allows the University to take advantage of the latest or best the market has to offer**

Supplier Attributes

- **Experience**
  - **What has the Offeror done?**
  - **How many times have they done it?**
  - **How long have they been doing it?**
- **Past Performance**
  - **How well did the Offeror do it?**
- **Corporate Capability**
  - **Does the Offeror have the resources to perform?**

CSWeb RFP Supplier Attributes

- **Demonstrated capability to develop the proposed solution and integrate it into the customer environment**

- **Successful performance on contracts in past 3 years similar in type and complexity as the proposed Subcontract**

- **Ability to interact and work well with technical clients**

- **Ability to provide effective training services and technology transfer to client**

- **Responsiveness to customer feedback during development cycle**

CSWeb RFP Supplier Attributes (Cont.)

- **Prior experience with short iterative development cycles, flexible requirements, close customer feedback, and the ability to rapidly respond to feedback including weekly customer meetings and well-defined milestones to chart progress.**

- **Strong branding and user interface work**

- **Capability to provide support and perform additional development after the completion of the project**

- **Familiarity and experience with technologies mentioned in this proposal**

- **Management and corporate capability to develop the solution within project cost and schedule parameters**

Price or Cost

- **Price or cost is evaluated in every BVSS procurement.**

- **Integral part of the best value assessment, taking into account the performance features, supplier attributes, and other factors**

Basis for Selection

- **Select a responsive and responsible Offeror(s)**
- **Will strike the most advantageous balance between the quality and price or cost**
- **Both technical merit and price/cost are always considered and evaluated**
- **BVSS based on premise that if all proposals are essentially equal in qualitative merit, award will be made to the responsible Offeror with the lowest evaluated price or probable cost**
- **BVSS permits tradeoff between cost or price and evaluation factors and allows the Laboratory to accept other than the lowest priced proposal**
  - **Perceived benefits of the higher priced proposal must merit the additional cost**

- **We ALWAYS try to make a selection based on the initial proposal evaluation - no BAFOs**

- **BVSS allows Offerors to propose different solutions and allows us to consider solutions different from the ones we may have envisioned at the outset**

Negotiations, Approvals & Award

- **Negotiations can be conducted with one or more Offerors if necessary to make selection**

- **Negotiate detailed SOW with selected Offeror(s) if necessary**

- **Notify and debrief unsuccessful Offerors after award**

Questions?